

GEORGIA USE TAX OUT OF STATE PURCHASES

1. Who is subject to use tax?

Any person or business who makes a purchase of goods that are brought into Georgia and the appropriate Georgia sales or use tax has not been paid to the supplier.

2. Are purchases made in other states subject to sales and use tax in Georgia?

Georgia use tax applies to all tangible personal property that you possess and use in Georgia unless specifically exempt under Georgia Law. This applies no matter where you purchase the property. Items purchased out-of-state or out-of-country, either directly or through mail order, telephone, or on the Internet are taxable in Georgia unless other sales or use taxes were collected at the place of purchase.

3. What if I paid the appropriate sales tax to another state?

Georgia law grants an offsetting credit for sales taxes of a similar nature imposed and paid in another state against Georgia taxes. This means whether the sales tax is a State and/or Local sales tax. For example: Georgia has a 4 percent State sales tax and 1 to 3 percent Local sales tax. If another state charged you 6 percent State sales tax and no Local sales tax, Georgia would only grant credit against the State tax. You would owe the 1 to 3 percent Local tax.

4. What rate of tax is due on out of state purchases?

The rate of tax is based upon the overall rate for the county of use (e.g. home). The rate of tax for the county of use is 5, 6, or 7 percent except for food purchases. Food purchases are exempt from the 4 percent State Tax, thus the rate of tax is 1 to 3 percent county taxes.

5. Is this tax on out-of state purchases something new?

No. It has been the law since 1951 when Georgia's sales and use tax was first imposed. All forty-six states that currently impose a sales tax on sales also have a companion use tax on out-of-state or country purchases. Georgia citizens who do not operate a business are understandably less familiar with the tax on out-of-state purchases than with the tax on in-state purchases.

6. What kind of out-of-state or out-of-country purchases are subject to Georgia sales and use tax?

Sales and use tax applies to all out-of-state or out-of-country purchases that would have otherwise been subject to the tax if it had been purchased in Georgia. This would include purchases made by mail, telephone or the Internet.

Some of the most common taxable out-of-state purchases on which the use tax applies are:

Aircraft	Books	Construction Materials	Flowers	Jewelry	Toys
Automobiles	Clothes	Cosmetics	Food	Linens	
Boats	Computers	Equipment	Furniture	Office Supplies	

7. How can I determine if a certain purchase is taxable?

There is a simple test that you can apply: If you would pay sales tax on the purchase if it were made in Georgia, you should pay the tax on the same item if purchased outside of Georgia.

8. Don't vendors automatically add tax to purchases?

No. Out-of-state vendors who don't have a place of business in Georgia or regularly solicit sales through a sales force based in Georgia cannot be required to collect Georgia sales or use tax. If the vendor doesn't collect Georgia sales or use tax, you are required to pay it directly to the Georgia Department of Revenue. Out-of-state vendors who do have a place of business, employees or other sufficient contacts in Georgia are required to collect the tax on purchases made by Georgia residents.

9. How do I report out-of-state purchases?

You should complete the attached form or contact one of our Department of Revenue local regional offices and you will be sent the appropriate reporting form. The reporting of use tax should not result in an audit of your financial records. Dealers with a sales and use tax registration number are to report any sales or use tax liability due from purchases made for company use by reporting them on line 2 of the Sales and Use Tax Report Form (Form ST-3).

10. How often do I have to report out of state purchases?

You may report the tax on a quarterly basis if the liability does not exceed \$600.00 for the respective period. If you have regular use tax obligations and believe you should be registered, please see our website below to obtain an application for registration. Dealers with a sales and use tax registration number are required to report the purchase during the period when the item is received.

11. Do I owe a use tax on items brought to Georgia when becoming a resident of Georgia?

Use tax is not due on items brought to Georgia when the purchaser is not a resident of Georgia at the time of purchase unless the item is used in a business, profession or trade.

12. Why are out of state purchases subject to tax?

Taxes are imposed on out of state purchases to protect Georgia businesses from unfair out-of-state competition.

For additional information or assistance in completing the Use Tax form, call the Taxpayer Services Division at (404) or the Rome Regional Office at (706) 295-6667 or 1-888-229-8497.

Department Of Revenue Website

<http://www.dor.ga.gov>

Form Instructions:

- Complete your name or business name, address, city and state on the form.
- County of Use is your county of residence or place of business. Please write the county name in the appropriate section.
- Total Taxable Purchases includes shipping/handling and any other service charge, but does not include another state's taxes paid to the seller.
- Tax Rate for non-food items is the total Georgia State (4%) and Local (1 - 3%) sales tax rate in the County of Use. The tax rate for Food is the Local (1 - 3%) county taxes except the Homestead Tax in DeKalb County and Local Option Tax in Taliaferro and Webster Counties. See DOR website for rate.
- Subtract the amount of sales tax paid in the other state from the calculated amount of line 1 and 2.
- Send the completed form and payment to the Rome Regional Office, 1401 Dean Street, Suite E, Rome, Georgia 30161-6494. Please make your checks payable to Georgia Department of Revenue. Do not send cash.

ST-3USE (04/07)

GEORGIA USE TAX REPORTING FORM

NAME _____		ADDRESS _____			
CITY _____		STATE _____		ZIPCODE _____	
County of Use:		Rate		Tax Column	
1	Total Taxable Purchases (Non-Food)	\$	X		
2	Total Taxable Food Purchases (Local County Tax Only)	\$	X	=	\$.
3	Taxes Paid in Other States (if any)			-	\$.
4	Amount Due with Return			=	\$.
Date: ____/____/____		Signature _____			

Mail Payment and Return to:
Rome Regional Office, 1401 Dean Street, Suite E, Rome, Georgia 30161-6494

This form can be filled out on line, printed and mailed. It cannot be saved.